



DAVID SANDERS, PH.D.
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place -- Los Angeles, California 90020
(213) 351-5602

May 26, 2005

Board of Supervisors
GLORIA MOLINA
First District
YVONNE B. BURKE
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

TO: Supervisor Gloria Molina, Chair
Supervisor Michael D. Antonovich, Chair Pro Tem
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: David Sanders, Ph.D. 
Director

APRIL 26, 2005 BOARD AGENDA ITEM # 22: REFUGIO PARA NIÑOS MONTHLY REPORT

In accordance with the Los Angeles County Board of Supervisors' (Board) order, dated April 26, 2005, the Department of Children and Family Services (DCFS) has been charged with providing the Board with monthly reports relating to Refugio Para Niños Foster Family Agency (Refugio). Specifically, the Board directed DCFS to consult with the Auditor-Controller's Office regarding Refugio's compliance with the Corrective Action Plan, noted as Exhibit U of the Foster Family Agency Foster Care Agreement, including monthly expenditure reports. The Board also ordered, based upon Refugio's performance that DCFS have an alternative plan prepared for placement of the children.

As a result of the Board's orders, DCFS's Out of Home Care Management Division conducted monitoring visits to Refugio and consulted with the Auditor-Controller's Office. The scope of the review and consultation are subsequently noted as follows.

FISCAL ISSUES

Exhibit U of the Foster Care Agreement requires Refugio to submit expenditure reports to DCFS by the 15th of the month for the preceding month. Since the Agreement was not executed until April 28, 2005, the April 2005 report, due on May 15, 2005, would

only reflect two days activity. Therefore, with the Auditor-Controller's concurrence, Refugio did not complete an expenditure report for April 2005. Refugio will submit its first expenditure report for the month of May 2005 no later than June 15, 2005.

The Auditor-Controller's Office has completed its review of Refugio's fundraising costs and identified \$178,933 in questioned costs that should be recovered by DCFS. On May 13th the Auditor-Controller advised DCFS that it should pursue collection of a total of \$789,682 in questioned costs, which includes the questioned fundraising costs discussed above, as well as other questioned costs identified in the Auditor-Controller's September 2000 Fiscal Audit report and January 2005 Review of Allegations report. DCFS prepared repayment agreement with Refugio that was signed on May 23, 2005. Refugio made an initial payment of \$9,091 and the agreement states they will make monthly payments of \$6,505 for 10 years.

The Interim CEO of Refugio Para Niños reported to the Out of Home Care Management Division that the agency is not currently planning any fundraising activities and that the Multicultural Counseling Center (MCC) has been closed. As part of the monthly fiscal monitoring of Refugio, the Auditor-Controller intends to verify that no further County foster care funds are being expended on fundraising activities or the MCC.

MONITORING

The Auditor-Controller has developed a monitoring instrument, which will be utilized to assess Refugio's compliance with the fiscal provisions of their Corrective Action Plan. We will report on the results of the Auditor-Controller's initial review as part of our May 2005 status report, which will be provided to your Board in June.

The Out of Home Care Management Division conducted site visits on May 5, 2005 and May 6, 2005. The scope of the monitoring included a meeting with Refugio Para Niños' Interim CEO; the Agency's Clinical Director, and the Personnel Administrator. As Refugio has historically been programmatically compliant with prior contracts and the Auditor-Controller is reviewing the fiscal matters, the monitoring visits focused more on safety issues that relate to Refugio's performance and the structure of their Board of Directors.

SAFETY

DCFS researched Out of Home Care Management Division's Itrack database to identify Child Protection Hotline (CPHL) referrals and Special Incident Reports (SIR) since the April 28, 2005 execution of the contract. DCFS found that there were no CPHL referrals from April 28, 2005 to May 23, 2005. However, there was one referral dated April 27, 2005, which alleged general neglect of one child and substantial risk of

two children. This referral was investigated by an Emergency Response Children's Social Worker and the allegations were determined to be unfounded.

Refugio has been reporting special incidents in accordance with the reporting requirements as stipulated in the contract, Section 10.0, Program Reporting Requirements. During our review, we noted six SIRs were received. Three SIRs involved injury to a child; the fourth was a police-involved matter and, the fifth and sixth reported runaways. Specifics regarding the SIRs are noted as follows.

- Of the three SIRs involving injury, one occurred during an unmonitored visit with the mother; another concerned self-inflicted scratches due to the child's mental state; and the third occurred when the child fell while running in the living room. Refugio reported all incidents in a timely manner and they were appropriately handled.
- The fourth SIR involved a child making an allegation against a certified foster mother because she was angry with the foster mother. This incident was reported to the Child Protection Hotline and was investigated. Although the child was removed, the SIR indicates that it was not as a result of the allegation, but due to the child requiring a higher level of care. Therefore, Refugio gave a seven-day notice for the child to be replaced. The other two children remained as placed in this certified foster home.
- The fifth and sixth SIRs were reported for children who ran away from their placement. Refugio took appropriate action in both instances and reported timely.

Based upon our current review, there were no significant trends of abuse/neglect noted.

BOARD STRUCTURE

During the site visit to Refugio, a meeting was conducted with Agency Administration and the following information was noted:

- Refugio Para Niños has a new Board that was formed in mid-February 2005. The Board has held four meetings since their formation and is scheduled to hold their next meeting on May 31, 2005. The new Board includes seven members. However, two recently appointed members subsequently resigned. The two vacant seats were filled on April 22, 2005. The Auditor-Controller has indicated that they intend to have a representative in attendance at Refugio's May Board meeting to observe the meeting and the Board's scheduled training on OMB Circular A-122 and the Auditor-Controller's Contract Accounting and Administration Handbook.
- A review of the minutes of Refugio's recent Board meetings did not show evidence that the Board was reviewing licensing and incident reports as required per Title 22,

Foster Family Agencies Regulations, Section 88063 (8). DCFS will recommend that the Interim CEO make the required reports available for the Board's review.

- Refugio has contracted with Harrington Group to do the OMB Circular training of its Board in accordance with Exhibit U. The training is scheduled to begin May 31, 2005. A copy of the proposed topics to be covered in the training is attached.

The Auditor-Controller will continue fiscal monitoring of Refugio. The results of those reviews will be provided to DCFS management and the Out of Home Care Management Division.

DCFS' Out of Home Care Management Division staff will continue to monitor Refugio and expand the scope of the monthly reviews to include the agency's performance as it relates to outcome measures in the areas of safety, permanency and child well-being.

ALTERNATIVE PLAN OF ACTION

In the event that Refugio fails to comply with the agreement set forth by the County, the following plan will be initiated by the Department to ensure the services continue for the children placed with the Agency:

- Every effort will be made to maintain the children with the same foster parents to avoid placement disruption.
- CSWs who have children placed with Refugio will be instructed to make immediate and regular visits of the children in the Refugio foster homes. If the children's safety is in question, the CSWs will take appropriate action, which may include replacing the children.
- The Refugio foster parents will be informed immediately by telephone and letter of the pending termination of the contract with Refugio and the County's plan to review various options with them regarding their ability to continue care of DCFS children placed with them.
- In collaboration with Community Care Licensing (CCL), a meeting will be scheduled immediately with all foster parents where they will be informed of their options to associate themselves with another Foster Family Agency or become licensed foster parents with the State.
- The foster parents will be told to continue to utilize the services of their Agency social worker. If they are not receiving the services from Refugio and/or if safety situations arise, they will be instructed to contact the child's CSW immediately.
- During this entire process, DCFS will be working closely with CCL to consider various options, such as certifying foster parents pending licensure or certification; in the event the contract with Refugio requires immediate termination.

Each Supervisor
May 26, 2005
Page 5 of 5

If you have any questions please call me, or your staff may contact Helen Berberian, Board Relations Manager at (213) 351-5530.

DS:ES:
EH:SK:sk

Attachment

c: Chief Administrative Officer
County Counsel
Board of Supervisors Executive Officer

REFUGIO PARA NINOS

Foster Family Agency

213-637-2554

March 30, 2005

To the office of

Walter Chan
DCFS Contract Manager
425 Shatto Place Room 400
Los Angeles, CA 90020


Dear Mr. Chan or Felicia

Per my conversation with you, please find enclosed copy of proposal from Harrington Group, CPA office
in reference to our proposed training for OMB Circular training.

If accepted, we are anticipating first training to commence on 4/12/05.

If you have any questions please call me at 626-858-8687

Sincerely,



Teresa Reta
RPN

**Harrington Group**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

J. Joseph Harrington
Job M. Quesada
Sean B. Cain
Tawetta L. Connor

March 30, 2005

To the Board of Directors of
Refugio Para Niños
100 N. Citrus Street, Suite 200
West Covina, CA 91791

Dear Ladies and Gentlemen:

Thank you for the opportunity to provide training to your Board. We look forward to a continued relationship with Refugio Para Niños.

1. Purpose, components, and deliverables

We will provide training and materials to the Board to enhance their ability to understand the financial requirements of their Foster Family Agency program. This training will include the following:

- a. OMB Circular A-122 including allowable vs. unallowable costs and documentation requirements for areas such as compensation for personal services.
- b. Auditor Controller handbook to identify specific requirements and interface with OMB Circular A-122.
- c. An understanding of the internal controls required by the organization. This will include internal control checklists and an understanding of the Board's ability to monitor these controls.
- d. A description of the Board's role in relationship to the organization's finances.

These trainings will be approximately two hours in length. We will endeavor to meet the schedule of your Board for the timing of these trainings.

To the Board of Directors of
Refugio Para Niños
Page 2

2. *Fee*

Our fee for this project will be \$2,500.

This project can be started in April 2005 upon agreement to this engagement.

If you have any further questions, please do not hesitate to call.

Sincerely,


J. Joseph Harrington
Partner

RESPONSE:

This letter correctly sets forth the understanding of Refugio Para Niños.

Officer Signature: _____

Title: _____

Date: _____

*April 12, 2005**Training - 7-30 pm*

**PROPOSAL FOR CORRECTIVE ACTION PLAN
FOR EDUCATION OF
REFUGIO'S BOARD OF DIRECTOS**

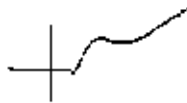
The following proposal has been submitted by Harrington and Company, our current CPA. He has proposed the following:

8 hours of training-2 hours per Topic on the following:

- | | |
|-------------------------------|---------|
| 1. OMB CIRCULAR A-122 | 2 HOURS |
| 2. UNDERSTANDING THE HANDBOOK | 2 HOURS |
| 3. BOARD'S ROLE | 2 HOURS |
| 4. INTERNAL CONTROLS | 2 HOURS |

The following training can be done afternoons from 7 PM - 9:00 PM

The price would be per group at approximately \$2,500.00 for the complete training.



1 **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**
2 **REFUGIO PARA NIÑOS FOSTER FAMILY AGENCY**

3 April 12, 2005, 7:00 p.m.

4 At the office, 100 N. Citrus Street, Suite 205
5 West Covina, California 91791

6 PRESENT: BOARD: Chairman Vern Van Voorst and Members Ed Aguirre, Judy Bean, and James
7 Henning. Michael Gering arrived at 7:07 p.m. STAFF: Interim Executive Director Tomas Fernandez,
8 Personnel Administrator Teresa Reta.

9 ABSENT: None.

10 Chairman Van Voorst opened the meeting at 6:59 p.m.

11 Reta presented written minutes of the March 24, 2005 meeting (copy attached). After review and brief
12 discussion Aguirre moved and Bean seconded to approve the minutes as corrected as follows: finding #3
13 of Ed Aguirre was corrected to read, "3. **Bonuses:** There are numerous bonuses being paid to
14 employees for additional duties, other than their current job descriptions. Mr. Aguirre suggested bonuses
15 get evaluated to determine validity/continuation of pay."

16 Chairman Van Voorst reported that the morning following the March 24 meeting RPN Accountant Antonio
17 Williams resigned.

18 Gering arrived (at 7:07 p.m.) with two prospective Board members: Damian Thompson and Magnolia
19 Rodriguez (who served on the previous Board). Thompson presented his résumé (copy attached).
20 Rodriguez spoke of her background. After about five minutes, both left the meeting.

21 Roland Navarro arrived at approximately 7:15 p.m. and presented his résumé (copy attached) to the
22 Chairman and spoke of his accounting background. After about five minutes, he left the meeting.

23 The Chairman reported that the Los Angeles County Board of Supervisors had delayed their decision on
24 renewing RPN's contract for two more weeks (to 4/24/05). He noted that it might be good for Board
25 members to attend the next Supervisors' meeting.

26 The Chairman reported that, at trainer Harrington's suggestion, Board training in the Federal Office of
27 Management and Budget Circular A-122 be postponed until our next meeting, tentatively set for 4/26/05.

28 We discussed Supervisor Gloria Molina's decision to postpone ratification of the contract—why, etc.
29 Aguirre will make some phone calls to find out more.

30 The Chairman reported that Irwin Trester resigned via a FAX on 3/26/05, that we now have two
31 vacancies on the Board, and that we have résumés from Damian Thompson (received during the
32 meeting) and Heather Johnson (received earlier). Magnolia Rodriguez also wishes to be considered for
33 reinstatement to the Board. He further reported that Staff member Gayle Thomas and Board member Ed
34 Aguirre will each present a résumé from someone they know. The Chairman asked that each prospective
35 Board member write a paragraph as to why they want to serve on the Board.

36 The Chairman asked Bean if she would serve as the liaison person between the Board and the
37 Employees. She agreed to accept the position temporarily. It was mentioned that business consultant
38 Kimberly Hart will share her expertise regarding employee relationships.

39 The Chairman raised the issue of former CEO Joseph Steinberg's resignation and "amended contract" and
40 presented a proposed Board resolution (copy attached), drafted by Attorney Jim Corn, rejecting

1 **MINUTES OF THE TELEPHONE MEETING OF THE BOARD OF DIRECTORS**
2 **REFUGIO PARA NIÑOS FOSTER FAMILY AGENCY**

3 April 21, 2005, approximately 6:00 p.m.

4 Conducted by Chairman Vern Van Voorst

5 The Chairman individually telephoned Board members Henning, Bean, and Aguirre to consider ratifying
6 acceptance of new Board members Heather Johnson and Mark W. Santarsiero (résumés attached).

7 Henning moved, Bean seconded, and all voted to ratify acceptance of the above individuals to serve on
8 the RPN Board.

Respectfully submitted,

James E. Henning, Secretary-Treasurer

REFUGIO PARA NINOS

Foster Family Agency

Notice of Board Meeting Of the Directors Of Refugio Para Ninos

A California Non-Profit Corporation

A Board Meeting was held at the Refugio Para Ninos, Foster Family Agency on March 24, 2005, at 7:00 PM at 100 N. Citrus Street, Suite 200, West Covina, CA 91791

This meeting addressed the management of issues resulting from Board of Supervisors' decision to recommend termination of DCFS contract with this agency. In addition, Board discussed pending contract with Los Angeles County and RPN, Foster Family Agency to provide foster care services contingent upon Refugio dismissing it's petition for Writ of Mandate.

Various matters where discussed;

- ❖ Payment as compensation for former board members where addressed. A \$1,000.00 payment was still on hold for various meetings for previous board members. At this time, per all current board members no payments will be made.
- ❖ Antonio Williams, Accountant attended the meeting without previous notice of attendance. After being absent for five consecutive days without prior notification. He discussed his experience in accounting, and expressed his interest in becoming part of the new management team.

Tomas Fernandez, Interim CEO, and Teresa Reta, HRD and all board members discussed Antonio's absences and agreed that Mr. Antonio Williams needed to submit a doctor's excuse, no later than March 29, 2005 providing medical reason for absence in order to return to regular duties.

- ❖ Teresa Reta addressed current lease with suite 240. Originally suite 240 was part of RPN's lease. In January, 2004, suite 240 was separated from RPN's lease to become a sub-lease for Multicultural Counseling Center. Megan Greene, Property Manager from Elkins Property Management is going to start preparing an amendment to incorporate suite 240 back to RPN.
- ❖ Teresa Reta announced to board members, RPN has hired the services of Roland Navarro, Accountant. Roland currently has a job, but has committed to work nights with Teresa. Eventually, RPN would like to hire the services of Roland Navarro, he posses the experience we need to run our current accounting department.
- ❖ Michael Gering, current board member addressed to all board members there is an existing employee contract with former Executive Director Joseph Steinberg. He addressed the importance of discussing such contract at a later date, once board members have the necessary documentation to do so.
- ❖ Board members unanimously voted to dismiss Mr. Robert Kerslake for lack of attendance. Motion approved.

Mr. Ed Aguirre, current board member visited RPN site on March 10, 2005. These were his findings:

1. There is approximately \$27,450.00 in current employee loans
2. There is approximately \$29,138.00 in current foster parent loans
3. Bonuses: There is an excessive amount of bonuses being paid to employees for additional duties, other than their current job descriptions. Mr. Aguirre suggested bonuses get evaluated to determine validity/continuation of pay.
4. Discussion for continuation of services for Mr. Jay Shapiro were addressed. He currently is handling the Compilation Report, and monitoring the Merrill Lynch Account. It was decided by all members that at this time RPN will continue with Mr. Shapiro's services until further notice.
5. Discussion for continuation of services for Mr. Mark Spraic, attorney at law, were addressed. Mr. Spraic is currently analyzing Mr. Jim Corn's, attorney at law bill. At this time there is still discussion for the continuation of Mr. Spraic's services.
6. Discussion for continuation of services for Mr. Joe Harrington, from Harrington Group were addressed. Mr. Harrington is currently in charge of 941 Tax Filing and Official Audits for different counties. At this time it was agreed that Mr. Harrington will continue providing his accounting services to RPN.

Being no other business, meeting adjourned at approximately 9:45 pm.

REFUGIO PARA NINOS

Foster Family Agency

NOTICE OF BOARD MEETING OF THE DIRECTORS

OF

REFUGIO PARA NINOS, FOSTER FAMILY AGENCY

A California Nonprofit Corporation

To the Directors of Refugio Para Ninos, Foster Family Agency.

A meeting of the Board of Directors of Refugio Para Ninos, Foster Family Agency will be held on Tuesday, February 22, 2005 at 7:00 PM at the Administration office, located at 100 N. Citrus Street, Suite 200, West Covina, CA 91791.

AGENDA

- ❖ Preparation for final response to county demands for continuation of contract with Refugio Para Ninos:

Items:

- Repayment Plan
- Viable restructuring Plan for new Board Members and /internal fiscal controls.
- Capping Director's salary and pension contribution.

Your attendance is very important!!

Vern Van Voorst/President

**BOARD OF DIRECTORS MEETING
OF REFUGIO PARA NINOS**

A California Non-Profit Corporation

MINUTES

A Board Meeting of the Directors of Refugio Para Ninos was held on Tuesday, February 22, 2005 at 7:00 PM, at 100 N. Citrus Street, Suite 200, West Covina, CA 91791.

This meeting was set for the discussion of the following items:

- ❖ Official introduction of new board members with the exception of Robert D. Kerslake, which was absent.
- ❖ Board members of RPN discussed amount owed and repayment plan to reimburse County for alleged unallowable expenses incurred during the period 2000-2004.
- ❖ A \$9,200 monthly payment was discussed among board members to pay debt of approximately 481,000.00.
- ❖ Board members had an opportunity to review draft letter prepared by RPN's attorney, Mr. Jim Corn addressed to all board members for approval of submission for continuation of contract with County of Los Angeles.
- ❖ Board Member Irwin Trester arrived at approximately 7:30 PM
- ❖ Vern Van Voorst, President of Board of Directors proposed to obtain a Good Faith Estimate/Statement from County for such repayment plan.
- ❖ Jim Henning, Board Member expressed his concern in options to become a new 501C#3 Corporation.
- ❖ A copy of our D&O Insurance was requested by Ed Aguirre/Board Member, and requested by all members to be sent either via fax or e-mail.
- ❖ Michael Gering/Board member explained break-down of money owed to County, in reference to specific source of balances due for each department, i.e. Fund Raising Department, Multicultural Counseling Center balance, and any past balances due for our County audit dated 2000.
- ❖ Mr. Ed Aguirre voiced his opinion to Mr. Michael Gering/in reference to Gloria Molina's request for Latino representation in our new current board.
- ❖ Irwin Trester addressed his concern to meet with all requirements as specified in demand letter from County with a corrective action plan to implement these issues that would fully meet compliance and viable continuation of contract with RPN.
- ❖ Legal advised was addressed by Mr. Corn in reference to fully comply with all terms and conditions of demand to avoid termination and casualties caused by non-compliance.
- ❖ Michael Gering stated there is a current employment contract between RPN and Mr. Joseph Steinberg, signed and authorized by former Janet Davis, President, and Board

- of Director Magnolia Rodriguez, where Mr. Steinberg was reinstated his employment at different capacity, Intake/Foster Parent Coordinator.
- ❖ Copy of such contract was not available. Board concluded that this issue should be discussed at a later date, when copy of such contract was provided to all board members.
 - ❖ Mr. Irwin Trester, Board Member suggested that new Board President meet with Dr. Sanders to discuss in person all items on demand letter. Also to assure him that Board is seeking for full compliance in resolving any issues for continuation of County contract.
 - ❖ Irwin Trester was unanimously appointed to serve as RPN's mediator between RPN's personnel and Interim Executive Director to serve as a labor law/human relations advisor with current employees.
 - ❖ Tomas Fernandez, Interim Executive Director was invited to join board meeting to discuss with his responsibilities as an Interim Executive Director. A Re-establishment plan for authority was given to Mr. Fernandez to fully exercise his duties for internal productivity and compliance, following employment guidelines in respect to disciplinary issues.
 - ❖ A tentative board meeting was suggested for an open-session to give opportunity to current employees to address questions or concerns.
 - ❖ Tentative another board meeting will be scheduled on Tuesday, March 1, 2005 at approximately 7:00 PM.
 - ❖ Meeting adjourned at approximately 9:50 PM

**NOTICE OF BOARD MEETING
OF THE DIRECTORS
OF**

REFUGIO PARA NIÑOS

A California Nonprofit Corporation

To the Directors of Refugio Para Niños;

A Board Meeting of Refugio Para Niños will be held on May 3, 2005 at 7:00 PM, at the Administration office located at 100 N. Citrus Street, Suite 2000, West Covina, CA 91791.

Date

Tomas Fernandez, Interim-CEO

Cc: Vern Van Voorst
James E. Henning
Judith E. Bean
Edward O. Aguirre
Michael Gering
Heather Johnson
Mark W. Santuziero